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ILLINOIS COMMERCE COMMISSION**

ORIGINAL

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

THE PEOPLES GAS LIGHT
AND COKE COMPANY

Informational statement pursuant to
Section 6-1 02(d) of the Illinois Public
Utilities Act in connection with the
proposed issuance and sale of up
to \$175 million aggregate principal
amount of bonds or notes, or a
combination thereof, in one or
more series.

Docket No.

00-0021

CHIEF CLERK'S OFFICE

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ILLINOIS
COMMERCE COMMISSION

INFORMATIONAL STATEMENT

The Peoples Gas Light and Coke Company ("Peoples" or "Company") files this Informational Statement pursuant to Section 6-102(d) of the Illinois Public Utilities Act ("Act") in connection with its proposed issuance and sale of up to \$175,000,000 aggregate principal amount of bonds or notes, or a combination thereof in one or more series (the "New First Mortgage Bonds") for the purpose of refunding or refinancing outstanding First Mortgage Bonds, Peoples respectfully requests that the Commission issue an Order, pursuant to Section 6-102(d) of the Act, finding that Peoples' proposed issuance is not subject to Section 6-102(b) of the Act, and authorizing the issuance and sale. In support of this Informational Statement, Peoples states as follows:

1. Peoples is a corporation organized and existing under and by virtue of the laws of the State of Illinois, having its principal offices at 130 East Randolph

Drive, Chicago, Illinois 60601, and is engaged in the business of purchasing, storing, distributing, selling and transporting gas to approximately 837,000 residential, commercial and industrial customers, Peoples' service territory covers the City of Chicago. Peoples is a public utility within the meaning of the Act.

2. Peoples now proposes to issue and sell, on or after January 28, 2000 up to \$175,000,000 aggregate principal amount of new debt, in one or more series and in one or more transactions, The proceeds will be used for three purposes. First, \$50,000,000 will be used to refund or refinance the 7.5% Series Y First Mortgage Bonds maturing March 1, 2015, thereby completely retiring that Series. Second, \$50,000,000 will be used to refund or refinance the 7.5% Series Z First Mortgage Bonds maturing March 1, 2015, thereby completely retiring that Series. The remaining \$75,000,000 will be used to refund or refinance the 8.10% Series BB First Mortgage Bonds maturing May 1, 2020, thereby completely retiring that Series.

3. The issuance of all of Peoples' outstanding bonds was authorized by orders heretofore entered by the Commission, In particular, Series Y and Z were authorized by the Commission's order in Docket 84-0557 and Series BB was authorized by the Commission's order in Docket 90-0149. Peoples' First Mortgage indenture, under which the bonds are proposed to be issued, will consist of the Indenture, including all Supplemental Indentures, to U.S. Bank Trust National Association, as successor to Continental Bank, National Association, Trustee, the execution, delivery, and performance of all of which were authorized by orders of this Commission.

4. Peoples proposes to issue the New First Mortgage Bonds through an arrangement with the City of Chicago. (Note that the Series Y, Z and BB First

Mortgage Bonds were also issued through the City of Chicago.) Pursuant to a Loan Agreement, The City of Chicago would enter into an indenture of trust as supplemented by one or more supplemental indentures of trust with a trustee ("Revenue Bond Trustee") and, under that indenture of trust as supplemented, issue and sell an aggregate principal amount not exceeding \$175,000,000 of its Gas Supply Revenue Refunding Bonds, Series 2000 (The Peoples Gas Light and Coke Company Project) (hereinafter referred to as the "Series 2000 Bonds") and loan the proceeds to the Company. The Series 2000 Bonds would be limited obligations of the City of Chicago, payable only from the proceeds of the Loan Agreement. Because all of the proceeds of the Series 2000 Bonds would be used to refinance certain bonds issued by the City of Chicago under a similar arrangement as the one now proposed and the subject of this information filing, interest on the Series 2000 Bonds will generally be exempt from federal income taxes under existing statutes, regulations, court decisions and rulings.

5. The Loan Agreement would provide the terms by which the Company would repay the loan of the proceeds from the sale of the Series 2000 Bonds, In order to evidence and secure its obligations under the Loan Agreement, the Company would issue and deliver to the Revenue Bond Trustee an aggregate principal amount not exceeding \$175,000,000 of its First Mortgage Bonds.

6. Peoples' New First Mortgage Bonds would correspond to the related Series 2000 Bonds with respect to principal amount, interest rate, interest payment and maturity dates, and prepayment and redemption provisions. The New First Mortgage Bonds would be issued pursuant to one or more new supplemental indentures to the First Mortgage Indenture to be entered into by the Company and the

Trustee. The New First Mortgage Bonds will be substantially in the form provided in the relevant supplemental indenture. The New First Mortgage Bonds will be subject to the terms and conditions stated in the relevant supplemental indenture. The Company is considering issuance of the New First Mortgage Bonds with terms of up to 30 years. The Company also is considering issuance of the New First Mortgage Bonds in a variable rate or fixed rate mode or in some combination thereof. The terms will be determined at the time of sale and will depend on market conditions. Peoples expects the interest rate on the new First Mortgage Bonds to be in the range of 5.00% to 6.25%.

7. Because the proposed transactions discussed herein constitute refunding or refinancings of old debt, they are not subject to Section 6-102(b) of the Act.

WHEREFORE, Peoples respectfully requests that the Commission issue an Order, pursuant to Section 6-1 02(d) of the Act, authorizing the proposed refunding and refinancing and financing transactions discussed herein,

Respectfully submitted,



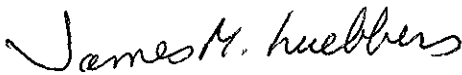
By: /s/JAMES M. LUEBBERS
James M. Luebbbers
Chief Financial Officer and Controller

James Hinchliff
Gerard T. Fox
Timothy P. Walsh
Attorneys for
The Peoples Gas Light
and Coke Company
130 East Randolph Drive, 23rd Floor
Chicago, Illinois 60601
(312) 240-4341
facsimile: (312) 240-4486

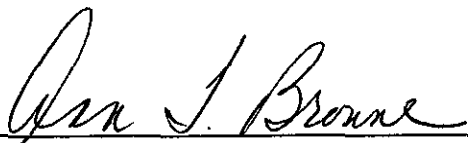
Dated this 10th day of January, 2000.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

James M. Luebbers, being first duly sworn, upon oath states that he is Chief Financial Officer and Controller of The Peoples Gas Light and Coke Company; that he has read the foregoing Informational Statement by him subscribed and knows the contents thereof, and that said contents are true to the best of his knowledge and belief.


By: /s/JAMES M. LUEBBERS
James M. Luebbers

Subscribed and sworn to
before me this 10th day
of January, 2000


Notary Public

My Commission Expires on: Sept. 6, 2003

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